



February 28, 2003

Al Alvarado
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Comments on Integrated Energy Policy Report, Feb. 25 and 26, 2003

The Silicon Valley Manufacturing Group (SVMG) is pleased to participate in the CEC's Integrated Energy Policy Report (IEPR) process.

SVMG represents 180 of the Valley's most respected employers, who collectively provide nearly 250,000 area jobs, or nearly one of every four jobs in Silicon Valley. SVMG's perspective is that of the end-use customer, ranging from very small commercial customers at less than 5 kilowatts to large manufacturers exceeding 30 Megawatts. As a regional trade association, we do not have the depth of expertise of utilities, energy service providers or experts on Energy Commission staff. But we understand the consequences that various policies may have on commercial/industrial customers, their employees and families, and on the economy. While we have no specific comments on the draft reports at this time, we wish to enter into the record some general statements bearing on our hopes for the outcome and SVMG's commitment to assist the CEC to reach these outcomes.

First, SVMG commends the CEC staff for superb efforts to provide a substantive foundation of information in the entire draft infrastructure, as well as long-term supply and demand forecasts. You have done the hard work of creating a solid starting point for our discussions. SVMG will provide more detailed responses after our members have completed their review.

Second, SVMG believes that creating an economically sound integrated energy policy in 2003 is our most critical energy legislative goal in 2003. SVMG partnered with the Bay Area Economic Forum to provide specific recommendations on such a policy in a report entitled "California's Energy Future: A Framework for an Integrated Power Policy" in November 2002. It has been previously submitted informally to the CEC. We submit it now formally to the Ad Hoc Integrated Energy Policy Report Committee.

We also wish to express our support for the comments submitted by the Natural Resources Defense Council (NRDC) and the Clean Distributed Generation Coalition focusing on including Energy Efficiency and Distributed Generation as more robust segments of utility procurement forecasts.

SVMG is also very concerned that the importance of transmission infrastructure has historically been under appreciated in energy policy discussions and applauds Commissioner Geesman and staff's efforts to adequately address and integrate these concerns in the IEPR.

We are also concerned that California create and implement a comprehensive energy policy with all deliberate speed. It has been more than two years without a consistent vision or model of our energy future. The resultant uncertainty has had a significantly more deleterious effect on California's economy than other western states. With Silicon Valley's unemployment rate at approximately 8%, the time for clarity of plan and action is now.

Finally, SVMG wishes to host meetings in Silicon Valley with key CEC commissioners and staff within the next few weeks to follow through on our commitment to the above expressed goals.

If you have any questions about these comments, please do not hesitate to call me at (408) 501-7852.

Sincerely,

Justin Bradley
Director of Energy Programs

224 Airport Parkway, Suite 620
San José, California 95110
(408)501-SVMG (7864) Fax (408)501-7861
<http://www.svmg.org>

CARL GUARDINO
President & CEO

BOARD OF DIRECTORS

AART J. DE GEUS

Chair

Synopsys

WILLIAM T. COLEMAN III

Vice Chair

BEA Systems, Inc.

ROBERT SHOFFNER

Secretary/Treasurer

CITIBANK

Board Members:

CRAIG R. BARRETT

Intel Corporation

SUSAN BLACK

Mid-Peninsula Bank

ROBERT CARET

San José State University

PETER CARTWRIGHT

Calpine Corporation

MRC GREENWOOD

University of California, Santa Cruz

BRIAN HALLA

National Semiconductor

BEATRIZ INFANTE

Aspect Communications

DAVID KLINGER

Lockheed Martin

JOE NATOLI

San José Mercury News

DEBORAH NEFF

Becton Dickinson

KO NISHIMURA

Soletron Corporation

LEN PERHAM

Clear Logic

KIM POLESE

Marimba, Inc

ARTHUR L. ROBERTS

United Defense LP

TOM ROSAMILIA

IBM Corporation

DAVID J. SHIMMON

Kinetix Group

GORDON R. SMITH

Pacific Gas & Electric Company

LINDA SULLIVAN

NBC 11

JOYCE M. TAYLOR

SBC

BOB WAYMAN

Hewlett-Packard Company

KENNETH WILCOX

Silicon Valley Bank

JAMES N. WOODY, M.D., Ph.D

Roche Bioscience

DAVID WRIGHT

Legato Systems

JOANN ZIMMERMAN

Kaiser Permanente

Working Council Chair

ANDREA LEIDERMAN

Kaiser Permanente

Founded in 1977 by

DAVID PACKARD

